



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

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Fifth District

July 21, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 4 TO DIETARY SERVICES AGREEMENTS AT
HARBOR-UCLA AND MARTIN LUTHER KING, JR./DREW MEDICAL CENTERS**
(2nd District) (3 votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair to sign the attached Amendments (substantially similar to Exhibits I and II,) for the continued provision of dietary services at Harbor-UCLA Medical Center for \$3,227,182 and Martin Luther King, Jr./Drew Medical Center for \$3,086,087 on a month-to-month basis from September 1, 2005 through May 31, 2006 for an estimated total of \$6,313,269, 100% net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

Approval of the recommended actions will allow for the continued provision of dietary services at Harbor-UCLA Medical Center (H-UCLA) and Martin Luther King, Jr./Drew Medical Center (King/Drew) on a month-to-month basis from September 1, 2005 through May 31, 2006. The extended terms will allow for the completion of a Request for Proposals (RFP) process and will align the Agreement expiration dates for the facilities involved in the RFP process.

The Department of Health Services (DHS) has been contracting out Dietary Services under provisions of County Code 2.121.250 et seq., "Contracting with Private Businesses" (Proposition A), since October 1984. Dietary services are an integral part of the legitimate activities which must be provided by a hospital to perform its health care functions.

FISCAL IMPACT/FINANCING:

The maximum County obligation for the extended terms is as follows: \$3,227,182 for H-UCLA and \$3,086,087 for King/Drew for a total amount of \$6,313,269. The amounts represent an increase from the prior six-month amendment term to include the additional three months of this recommended extension period and the addition of a 2.5% cost of living increase. According to the terms of the contract, the Contractor is entitled to a maximum 3% increase based upon the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the prior contract year. The CPI-U increased by 6.2% between August 2003 and August 2004 (contract year period); however the contractor has agreed to accept a 2.5% cost of living increase which mirrors the County general salary movement. The 2.5% cost of living increase will be effective September 1, 2005 through May 31, 2006 as agreed to by the Contractor.

Funds are included in the Fiscal Year 2005-06 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On September 3, 1996, the Board approved Agreement No. 70294 and Agreement No. 70295 with Morrison Health Care, Inc. to provide dietary services at King/Drew and H-UCLA effective September 1, 1996 through August 31, 2003, with provisions for a six-month automatic renewal through February 29, 2004. Subsequently, on February 17, 2004, the Board approved Amendment No. 1 which extended the term of each Agreement effective March 1, 2004 through August 31, 2004, provided rate increases and updated required Board mandated provisions. On August 17, 2004, the Board approved Amendment No. 2 which extended the term effective September 1, 2004 through February 28, 2005, and updated child support compliance and contractor debarment language. The most recent Amendment No. 3, approved on February 8, 2005, extended the term through August 31, 2005 to provide the Department with additional time to complete the Request for Proposals process.

Payment to Morrison is based on the provision of meals within a meal range of 47,001 - 52,000 per month at H-UCLA and 39,001 - 45,000 per month at King/Drew. If the actual number of meals provided falls below the lowest number of the meal range, the Contractor is required to pay the County a fixed per meal fee credit.

Contract monitoring functions are performed by administrative staff at each facility.

County Counsel has approved these Amendments as to form.

CONTRACTING PROCESS:

DHS released a Request for Proposals for dietary services on February 23, 2005 for several facilities including H-UCLA, King/Drew, OV-UCLA and Rancho including the public cafeteria concession services at H-UCLA, Rancho and OV-UCLA. The proposals were due and received on April 29, 2005. Because of the large number and detailed technical nature of questions asked by the proposers, the Department requires additional time to complete the RFP process. From the date the questions are answered, there will be a three-week deadline date to submit proposals.

The Honorable Board of Supervisors
July 21, 2005
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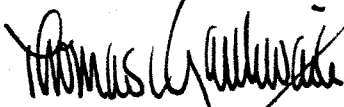
The three week deadline date is in accordance with the timeframe specified in the RFP. The RFP process is expected to be completed and a new contract(s) in place prior to the expiration of these Amendments.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval will allow for the continued provision of dietary services at H-UCLA and King/Drew.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:amb

Attachments (6)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

Dietary Amend.amb.wpd

SUMMARY OF AGREEMENT

1. **TYPE OF SERVICES:**

Dietary Services at H-UCLA and King/Drew.

2. **AGENCY ADDRESS AND CONTACT PERSON:**

Morrison Health Care, Inc.
1727 Axenty Way
Redondo Beach, CA 90278
Attention: Edward M. Clark
Telephone: (310) 798-4017

3. **TERM:**

The term of each amendment is from September 1, 2005 through May 31, 2006.

4. **FINANCIAL INFORMATION:**

The maximum County obligation for the extended terms is as follows: H-UCLA \$3,227,182, and King/Drew \$3,086,087 for a total estimated amount of \$6,313,269.

Funds are included in the Fiscal Year 2005-06 Adopted Budget.

5. **PERSON ACCOUNTABLE FOR PROGRAM MONITORING:**

Hospital Administration at each facility.

6. **GEOGRAPHIC AREA SERVED:**

2nd District.

7. **APPROVALS:**

H-UCLA Medical Center: Tecla Mickoseff, CEO

King/Drew: Hank Wells, CEO

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel (approval as to form): Elizabeth Friedman, Senior Deputy County Counsel

Exhibit # I
Contract No. 70295

DIETARY SERVICES AGREEMENT
HARBOR-UCLA MEDICAL CENTER

AMENDMENT NO. 4

THIS AMENDMENT is made and entered into this _____ day
of _____, 2005,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

MORRISON HEALTH CARE, INC.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled
"DIETARY SERVICES AGREEMENT", dated September 3, 1996, and
further identified as County Agreement No. 70295, extension
letter dated August 20, 2003, and any Amendments thereto (all
hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement
to extend its term and to make the changes described hereinafter;
and

WHEREAS, Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective September 1, 2005.
2. The term of this Agreement is hereby extended on a
month-to-month basis, for a maximum of nine months, from

September 1, 2005 through May 31, 2006, unless sooner terminated by County.

3. That Schedule 4 be replaced with Schedule 5, attached hereto as reference.

4. That Paragraph 2, ADMINISTRATION, of the body of the Agreement be revised as follows:

"2. ADMINISTRATION: The Director of Health Services (Director) retains professional and administrative responsibility for the services rendered under this Agreement. Contractor shall designate in writing a person who shall have the authority to administer this Agreement on behalf of Contractor.

The term "Administrator", as used in this Agreement, means Medical Center's Administrator or his duly authorized designee.

5. Except for the changes set forth hereinabove, the wording of Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS, Executive
Officer of the Board of
Supervisors of the County of
Los Angeles

MORRISON HEALTH CARE, INC.
Contractor

By Edward Clark

Title Regional VP

By: _____
Deputy

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL:

By: [Signature]
Senior Deputy County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By: Cara O'Neill
Cara O'Neill, Chief
Contracts and Grants Division

AMENDCD3896.AMB
04/05/05

SCHEDULE 5

CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE

Contractor's Nine-Month Budget (September 1, 2005 through
May 31, 2006) to Deliver 47,001 - 52,000 Meals per
Calendar Month - H-UCLA Medical Center

Labor Costs	\$ 1,915,999
Raw Food Costs	\$ 697,590
Materials; Services and Supplies	\$ 217,733
Equipment Costs	\$ 27,750
Utilities	\$ 741
Management Fee and Administrative Costs	\$ 148,624
Sales Tax Liability	\$ 90,495
A. Contractor's Nine Month Budget (September 1, 2005 - May 31, 2006):	\$ 3,098,932*
B. Special Function Meals	\$ 48,750
Incidental Supplies	\$ 12,750
Tube Feedings	\$ 52,500
Linen	\$ 14,250
Total Nine-Month Budget Extension	\$ 3,227,182

*This amount includes a 2.5% cost of living increase based upon the County general salary movement for Fiscal Year 2004-05, as agreed to by the Contractor.

Exhibit # II
Contract No. 70294

DIETARY SERVICES AGREEMENT
KING/DREW MEDICAL CENTER

AMENDMENT NO. 4

THIS AMENDMENT is made and entered into this _____ day
of _____, 2005,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

MORRISON HEALTH CARE, INC.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled
"DIETARY SERVICES AGREEMENT", dated September 3, 1996, and
further identified as County Agreement No. 70294, extension
letter dated August 20, 2003, and any Amendments thereto (all
hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement
to extend its term and to make the changes described hereinafter;
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the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective September 1, 2005.

2. The term of this Agreement is hereby extended on a month-to-month basis, for a maximum of nine months, from September 1, 2005 through May 31, 2006, unless sooner terminated by County.

3. That Schedule 4 be replaced with Schedule 5, attached hereto as reference.

4. That Paragraph 2, ADMINISTRATION, of the body of the Agreement be revised as follows:

"2. ADMINISTRATION: The Director of Health Services (Director) retains professional and administrative responsibility for the services rendered under this Agreement. Contractor shall designate in writing a person who shall have the authority to administer this Agreement on behalf of Contractor.

The term "Administrator", as used in this Agreement, means Medical Center's Administrator or his duly authorized designee.

5. Except for the changes set forth hereinabove, the wording of Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS, Executive
Officer of the Board of
Supervisors of the County of
Los Angeles

MORRISON HEALTH CARE, INC.
Contractor

By Edward M. [Signature]
Title Regional VP

By: _____
Deputy

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL:

By: [Signature]
Senior Deputy County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By: Cara O'Neill
Cara O'Neill, Chief
Contracts and Grants Division

AMENDCD3895.AMB
04/05/05

SCHEDULE 5

CONTRACTOR'S BUDGET AND COUNTY'S CHARGE SCHEDULE

Contractor's Nine-Month Budget (September 1, 2005 through
May 31, 2006) to Deliver 39,001 - 45,000 Meals Per
Calendar Month - King/Drew Medical Center

Labor Costs	\$ 1,836,056
Raw Food Costs	\$ 631,942
Materials; Services and Supplies	\$ 175,275
Equipment Costs	\$ 11,655
Utilities	\$ 2,871
Management Fee and Administrative Costs	\$ 245,957
Sales Tax Liability	\$ 75,056
A. Contractor's Nine- Month Budget September 1, 2005 - May 31, 2006):	\$ 2,978,812*
B. Special Function Meals	\$ 63,000
Incidental Supplies	\$ 4,025
Tube Feedings	\$ 40,250
Total Nine-Month Budget Extension	\$ 3,086,087

* This amount includes a 2.5% cost of living increase based upon the County general salary movement for Fiscal Year 2004-05, as agreed to by the Contractor.